

From: Lopp, Jenny </o=NCMAIL/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=jenny.lope>
Sent: Wednesday, May 1, 2013 2:14 PM
To: Williford, Mike <mike.williford@ncdenr.gov>
Subject: FW: Asheville Dyeing & Finishing Financial Assurance
Attach: 20130501135516118.pdf

Mike-

The AG's office requested that they be provided an financial overview for the AD&F site -

I have emailed cc: Liz--- so she knows that the task has been completed and emailed to Elizabeth Fisher and Dan Hirschman.

Jenny

From: Lopp, Jenny
Sent: Wednesday, May 01, 2013 2:09 PM
To: Fisher, Elizabeth (EFisher@ncdoj.gov); 'Hirschman, Daniel'
Cc: Cannon, Elizabeth
Subject: Asheville Dyeing & Finishing Financial Assurance

Hi Elizabeth-

Per your request, please find attached scanned documents regarding AD&F's financial assurance and ownership changes. I also composed a short summary for you as a quick reference.

Please let me know if you need additional information.

Thanks-

*Best Regards,
Jenny*

Jenny W. Lopp, Financial Analyst
Email address: jenny.lope@ncdenr.gov
Voice/Facsimile: (919) 707-8222

Mailing Address:
NC DENR
Division of Waste Management
Hazardous Waste Section
1646 Mail Service Center
Raleigh, N.C. 27699-1646

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Asheville Dyeing and Finishing (AD&F)-Financial Assurance

EPA Id. No. NCD 070 619 663

Warren Wilson College Road

Swannanoa, NC 28778

- July 31, 1991 AD&F submits its first financial assurance instrument, Financial Test/Corporate Guarantee. The financial test is provided by Anvil Knitwear Division of McGregor Corporation. McGregor Corporation assets are used to provide a Corporate Guarantee on behalf of its subsidiary, Winston Mills, Inc. (of which AD&F is an unincorporated division). (See two attachments dated July 31, 1991).
- April 27, 1995 Letter from attorney Brad De Vore regarding Amended RCRA Part A Permit Application. Letter discusses the sale finalized January 30, 1995 whereas assets of the AD&F Company were sold by McGregor Corporation and Winston Mills, Inc. as part of their sale of the Anvil Knitwear division to a newly-formed company, Anvil Knitwear Inc. Discussion about how Culligan International Company will be providing a corporate guarantee instrument for AD&F by using the "substantial business relationship"-
- May 30/31, 1995 Astrum International Corporation is a spinoff of Culligan. After spin-off transaction was completed, Culligan was no longer a direct corporate relationship with AD&F. However, Culligan remains to qualify for use of the financial test based on its continued "substantial business relationship ("qualifier")—Letter states that Culligan has a guarantee the obligation of the purchaser of AD&F with regards to environmental matters, (2) Culligan will be equipment for remediation, (3) and provide FA through use of the corporate guarantee by using the "substantial business relationship."
- June 8, 1998 See Page 2 of CFO's letter. Describes nature of divesture by McGregor Corporation and Winston Mills, Inc.
- March 29, 1999 Letter to Rachel Glover discussing U.S. Filter's intentions to continue remediation, corrective action, financial assurance, etc.
- April 30, 1999 Explanation of Culligan International Company acquisition of US Filter and Vivendi (a French Conglomerate) purchase of US Filter.
- June 24, 1999 Revised Part A submitted reflecting Culligan Intl. Inc. as operator and Anvil Knitwear, Inc. as owner of the site.
- June 28, 1999 AD&F changed FA instrument from a corporate guarantee to a Certificate of Insurance for Closure and/or Post-closure Care. The party insuring and providing financial assurance for AD&F was US Filter Corporation.
- March 5, 2008 Letter to B. McCarty stating Anvil Knitwear, Inc. sale of AD&F to Dyna-Diggr LLC. WASCo remains operator and Dyna-Diggr LLC is legal owner from Howard Grubbs.



July 31, 1991

Mr. William L. Meyer
Director
North Carolina Department of Environment,
Health and Natural Resources
Solid Waste Management Division
Hazardous Waste Section
P. O. Box 27687
Raleigh, North Carolina 27611-27687

Re: Asheville Dyeing & Finishing (AD&F)

Dear Mr. Meyer:

I am the chief financial officer of Anvil Knitwear Division of McGregor Corporation, 135 West 50th Street, New York, New York 10020. This letter is in support of this firm's use of the financial test to demonstrate financial responsibility for closure and post-closure care, as specified in Subpart H of 40 CFR Parts 264 and 265.

1. This firm is the owner or operator of the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in Subpart H of 40 CFR 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility: None.
2. The firm guarantees, through the corporate guarantee specified in Subpart H of 40 CFR Parts 264 and 265, the closure and post-closure care of the following facility owned or operated by subsidiaries of this firm. The current cost estimates for the closure and post-closure care so guaranteed are shown for each facility: NCD070619663, Winston Mills, Inc. (of which Asheville Dyeing & Finishing is an unincorporated division), Warren Wilson College Road, Swannanoa, Buncombe County, North Carolina 28773, \$340,858.00.

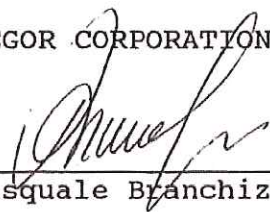
Mr. William L. Meyer
July 31, 1991
Page 3.

- *8. The sum of net income plus depreciation,
depletion and amortization \$10,640,000.00
- *9. Total assets in U.S. All Assets
10. Is line 3 at least \$10 million ✓ Yes
11. Is line 3 at least 6 times line 1 ✓ Yes
12. Is line 7 at least 6 times line 1 ✓ Yes
- *13. Are at least 90% of assets located
in the U.S. ✓ Yes
14. Is line 9 at least 6 times line 1 ✓ Yes
15. Is line 2 divided by line 4 less than 2.0 1/92 Yes
16. Is line 8 divided by line 2 greater
than 0.1 1/28 Yes
17. Is line 5 divided by line 6 greater than 1.5 ... 1/57 ✓ Yes

I hereby certify that the wording of this letter is identical to the
wording specified in 40 CFR 264.151(g) as such regulations were
constituted on the date shown immediately below.

Very truly yours,

McGREGOR CORPORATION

By: 
Pasquale Branchizio

Title: Chief Financial Officer
Anvil Knitwear Division
McGregor Corporation

Date: 
July 31, 1991

CORPORATE GUARANTEE FOR CLOSURE OR POST-CLOSURE CARE

Guarantee made this 31st day of July, 1991, by McGregor Corporation, a business corporation organized under the laws of the State of New York, herein referred to as guarantor, to the North Carolina Department of Environment, Health and Natural Resources (NCDEHNR), obligee, on behalf of our subsidiary Winston Mills, Inc. (of which Asheville Dyeing & Finishing (AD&F) is an unincorporated division), of Warren Wilson College Road, Swannanoa, Buncombe County, North Carolina 28778.

Recitals

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in 40 CFR 264.143(f), 264.145(f), 265.143(e), and 265.145(e).
2. AD&F owns or operates the following hazardous waste management facility covered by this guarantee:

NCD070619663

AD&F

Warren Wilson College Road

Swannanoa, North Carolina 28778

This guarantee is for both closure and post-closure care.

3. "Closure plans" and "post-closure plans" as used below refer to the plans maintained as required by Subpart G or 40 CFR Parts 264 and 265 for the closure and post-closure care of the facility identified above.
4. For value received from AD&F, guarantor guarantees to NCDEHNR that in the event that AD&F fails to perform closure and post-closure care of the above facility in accordance with the closure or post-closure plans and other permit or interim status requirements whenever required to do so, the guarantor shall do so or establish a trust fund as specified in Subpart H of 40 CFR Part 264 or 265, as applicable, in the name of AD&F in the amount of the current closure or post-closure cost estimates as specified in Subpart H of 40 CFR Part 264 or 265.
5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial test criteria, guarantor shall send within 90 days, by certified mail, notice to the Director NCDEHNR and to AD&F that

I hereby certify that the wording of this guarantee is identical to the wording specified in 40 CFR 264.151(h) as such regulations were constituted on the date first above written.

Effective date: July 31, 1991

McGregor Corporation

By:

Joseph Dempsey, Jr.

Title: Vice President and Chief Financial Officer
McGregor Corporation

Signature of witness or notary:

Emilie Yorga

WOMBLE CARLYLE SANDRIDGE & RICE
A PROFESSIONAL LIMITED LIABILITY COMPANY
3300 ONE FIRST UNION CENTER
301 SOUTH COLLEGE STREET
CHARLOTTE, NORTH CAROLINA 28202-6025

BRADFORD A. DE VORE
(704) 331-4941

TELEPHONE (704) 331-4900
FACSIMILE (704) 331-4955



OTHER OFFICES:

ATLANTA, GA
RALEIGH, NC
WINSTON-SALEM, NC

April 27, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Jenny Lopp
Hazardous Waste Section
North Carolina Department of
Environment, Health and Natural Resources
401 Oberlin Road
Raleigh, North Carolina 27605

Re: Amended RCRA Part A Permit Application -- Asheville Dyeing and Finishing;
Swannonoa, North Carolina; NCD070619663

Dear Mr. Edwards:

I represent Winston Mills, Inc., the operator of the hazardous management waste unit identified above. This letter is being sent on their behalf in accordance with the requirements of 40 CFR Section 265.143(e)(4) and/or(e)(6). As you may recall, the assets of the Asheville Dyeing and Finishing Company were sold by McGregor Corporation and Winston Mills, Inc. as a part of their sale of the Anvil Knitwear division to a newly-formed company, Anvil Knitwear, Inc., the sale of which was completed January 30, 1995. As a result of this divestiture, McGregor Corporation and Winston Mills, Inc. have been undergoing a corporate and financial restructuring such that they no longer meet their requirements of the financial test and corporate guarantee for closure required in 40 CFR Section 265.143(e).

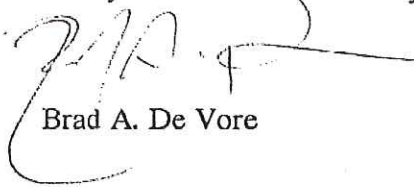
Therefore, we are arranging for Culligan International Company, a company under common ownership with these entities, and who meets the required net worth and financial ratio requirements, to provide the guarantee required by the regulations. Attached is a draft copy of this Guarantee.

However, because of the ongoing restructuring, Culligan may not have its audited financials completed in time to file with you the financial information required to accompany such guarantee. Thus, additional time to file is required and Culligan obtains such under the regulations with this notice. The company intends to have all the required documentation on file within 30 days.

Ms. Jenny Lopp
April 27, 1995
Page 2

Very truly yours,

WOMBLE CARLYLE SANDRIDGE & RICE
A Professional Limited Liability Company



Brad A. De Vore

BAD/ngb
Enclosure

WOMBLE CARLYLE SANDRIDGE & RICE

A PROFESSIONAL LIMITED LIABILITY COMPANY
3300 ONE FIRST UNION CENTER
301 SOUTH COLLEGE STREET
CHARLOTTE, NORTH CAROLINA 28202-6025

BRADFORD A. DE VORE
(704) 331-4941

TELEPHONE (704) 331-4900
FACSIMILE (704) 331-4955

OTHER OFFICES:

ATLANTA, GA
RALEIGH, NC
WINSTON-SALEM, NC

May 31, 1995

VIA HAND DELIVERY

Ms. Jennifer W. Lopp
Administrative Officer
Hazardous Waste Section
North Carolina Department of
Environment Health and Natural Resources
Division of Solid Waste Management
401 Oberlin Road
Raleigh, NC 27605



Re: Asheville Dyeing and Finishing Plant

Dear Ms. Lopp:

Enclosed for your files is the financial guarantee and related materials from Culligan International Company submitted on behalf of Asheville Dyeing and Finishing to fulfill the financial responsibility requirements imposed on Asheville Dyeing and Finishing under Subpart H of 40 CFR Part 265. Portions of the enclosed materials may be poor quality copies. As may be required, Culligan International Company will provide better copies in the near future. In the interim, please do not hesitate to contact me about the enclosed package.

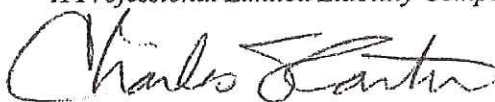
Further, for your information, please be aware Astrum International Corporation is in the process of spinning off Culligan. When that spin-off is completed, we understand Culligan will no longer have a direct corporate relationship with the Asheville Dyeing and Finishing Plant. However, we further understand that Culligan has (a) guaranteed the obligation of the purchaser of the Asheville Dyeing and Finishing Plant with regard to these environmental matters; (b) is directing the remediation at the site; and, (c) will be providing Culligan water treatment equipment for the remediation. Thus, Culligan will continue to have a "substantial business relationship" as such is defined under Subpart H of 40 CFR Part 265, and the nature of the enclosed guarantee will not change. Upon completion of the spin-off activities, we will provide you with a letter describing the substantial business relationship in more detail.


Ms. Jennifer W. Lopp
May 31 1995
Page 2

We appreciate your cooperation in this matter. Please do not hesitate to contact me if you have any questions.

Very truly yours,

WOMBLE CARLYLE SANDRIDGE & RICE
A Professional Limited Liability Company



 Brad A. De Vore

BAD/ash
Enclosure
cc: Ralph I. Hubley, III

* * * *

[pages excerpted]

CFO's letter



June 8, 1998

Ms. Jennifer W. Lopp
Administrative Officer
Hazardous Waste Section
North Carolina Department of Environment,
Health and Natural Resources
Division of Solid Waste Management
401 Oberlin Road
Raleigh, North Carolina 27605

RE: Asheville Dyeing & Finishing Plant

Dear Ms. Lopp:

I am the Chief Financial Officer of Culligan International Company, One Culligan Parkway, Northbrook, Illinois 60062. This letter is in support of this firm's use of the financial test to demonstrate financial responsibility for closure and/or post-closure care, as specified in subpart H of 40 CFR parts 264 and 265.

1. This firm is the owner or operator of the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

None.

2. The firm guarantees, through the corporate guarantee specified in subpart H of 40 CFR parts 264 and 265, the closure or post-closure care of the following facility owned or operated by the guaranteed party. The current cost estimates for post-closure care so guaranteed are shown for each facility:

NCD070619663, Asheville Dyeing & Finishing Plant, Warren Wilson College Road, Swannonoa, Buncombe County, North Carolina 28778, \$333,548.88

The firm identified above is engaged in the following substantial business relationship with the owner or operator Winston Mills, and receiving the following value in consideration of this guarantee:

In the course of the divestiture, effective January 28 and 30, 1995, by McGregor Corporation and Winston Mills, Inc. of the assets of their textile manufacturing business, including the Asheville Dyeing & Finishing Plant, Culligan International Company guaranteed certain of the sellers' obligations, including the cost of the post-closure plan approved for the Asheville Dyeing & Finishing Plant. This guaranty was part of an overall transaction that included the receipt by Culligan of a promissory note substantially in excess of the current post-closure cost estimate and also the purchase by Culligan of a one-third interest in the newly formed company, Anvil Holdings, Inc., who purchased the assets of the business. Culligan has since sold its equity interest in Anvil Holdings, Inc., but remains obligated under the guaranty of the seller's divestiture obligations. Culligan personnel and environmental consultants retained by Culligan are directly involved in implementing the post-closure plan.

3. In other States where EPA is not administering the financial requirements of subpart H of 40 CFR parts 264 and 265, this firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and/or post-closure cost estimates covered by such test are shown for each facility:

None.

4. This firm is the owner or operator of the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in subpart H of 40 CFR parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:

None.

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under part 144. The current closure cost estimates as required by 40 CFR part 144.62 are shown for each facility:

None.

Culligan Water Technologies, Inc., the corporate parent of this firm, is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on January 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statement for the latest completed fiscal year, ended January 31, 1998.¹

ALTERNATIVE I

1.	Sum of current closure and post-closure cost estimate	\$ 333,549 $\times 6 = 2,001,294$
*2.	Total liability	180,791,000
*3	Tangible net worth	161,438,000
*4.	Net worth	342,712,000
*5.	Current assets	200,741,000
*6.	Current liabilities	128,184,000
7.	Net working capital	72,557,000
*8.	The sum of net income plus depreciation, depletion, and amortization	65,234,000
*9. ¹	Total assets in U.S. (required only if less than 90% of assets are located in the U.S.)	288,636,000
10.	Is line 3 at least \$10 million?	(Yes/No) ✓
11.	Is line 3 at least 6 times line 1?	(Yes/No) ✓
12.	Is line 7 at least 6 times line 1?	(Yes/No) ✓
*13. ¹	Are at least 90% of assets located in the U.S.? If not, complete line 14	(Yes/No) —
14.	Is line 9 at least 6 times line 1?	(Yes/No) —
15.	Is line 2 divided by line 4 less than 2.0?	(Yes/No) ✓ 0.5275
16.	Is line 8 divided by line 2 greater than 0.1?	(Yes/No) ✓ 0.366356
17.	Is line 5 divided by line 6 greater than 1.5?	(Yes/No) ✓ 1.566 0.378

¹ Total Assets in the U.S. are not separately stated on this firm's consolidated audited year-end financial statements, but to the extent separately identified in the financial reporting of this firm, they are indicated on line 9.

Ms. Jennifer W. Lopp
June 8, 1998
Page 4

I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151(f) as such regulations were constituted on the date shown immediately below (except as to the addition of footnote 1).

Very truly yours,

CULLIGAN INTERNATIONAL COMPANY

By: 
Michael E. Salvati

Title: Chief Financial Officer

Date: 6-8-98

RIHICFO Letter- AD&F

WASCO011071